1	2	3	4	5
4.	Himachal Pradesh	112.75	—	112.75
5.	Meghalaya	86.01	—	86.01
6.	Andhra Pradesh	36.31	179.31	141.73
7.	West Bengal	357.99	157.59	187.63
8.	Tamil Nadu	23.89	187.18	149.44
9.	Maharashtra	44.95	133.09	124.70
10.	Punjab	46.86	208.79	154.97
11.	Gujarat	129.71	172.53	171.65

*DG Sets.

Reducing dependence on Private Sector for Power

1862. SHRI SURESH PACHOURI: Will the Minister of POWER be pleased to state:

(a) the inflow of private investment targeted during the Ninth Five Year plan;

(b) the actual investment by private sector;

(c) the reasons for poor response of private sector in the power sector; and

(d) the measures stipulated to be taken during the Tenth Five Year Plan to reduce dependency on private sector?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) Capacity addition during 9th plan from private sector was targeted at 17,588 MW. However, the total capacity addition in the 9th plan would only be about 5,139 MW.

(c) while many of the private sector power projects have made substantial progress in trying up the various required inputs/ clearances, most of them have not been able to achieve financial

clearance. The main reasons for the non-materializaton of these projects are mentioned below:—

(i) The inability of State Electricity Boards (SEBs) and State Governments to provide an acceptable payment security. The revenues of the SEBs are not adquate to ensure payments to Independent Power producers.

(ii) Non-finalisation of various contracts such as Power Purchase Agreement, Fuel Supply Agreement and Fuel Transportation Agreement acceptable to all the concerned parties. Protracted negotiations on fuel prices, liquidated charges/damages, risk-covering clauses etc. have caused delays in many cases.

(iii) High cost of naphtha and other liquid fuels has made the SEBs reluctant to buy power from such projects. Non-availability of gas in sufficient quantity has also delayed progress of projects in some states.

(iv) Court cases in the form of Public Interest Petitions etc.

(v) Failure by the project developers to bring in equity up front.

(d) The 9th plan has seen slippages in the targeted capacity addition from the private sector as well as State Sector/Central Sector. With the reforms process in the power sector now in progress in many of the states, the financial condition of the State owned utilities is expected to improve which would pave the way for more investments in the private as well as Central/State Sector projects. Considering the ambitious programme embarked upon by the Government to achieve 'Power on Demand' by 2012, capacity addition from all sources including private sector is being envisaged. In the short run a step up in public sector investment in generation has been envisaged from the 10th plan.

The Accelerated Power Development Programme (APDP) launched by the Government aims at revamping the distribution network by better metering, billing and collection, reduction of Transmission & Distribution losses and theft. This is expected to improve the revenue of SEBs enabling them to pay for the additional power capacity and attracting further investments into the sector.